


**Government of the District of Columbia  
Office of the Chief Financial Officer**



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Vincent C. Gray  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi   
Chief Financial Officer

**DATE:** May 30, 2008

**SUBJECT:** Fiscal Impact Statement: "New Convention Center Hotel Technical Amendments Act of 2008"

**REFERENCE:** No Bill Number

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**Conclusion**

Funds are sufficient in the FY 2008 budget and the proposed FY 2009 through FY 2012 budget and financial plan to implement the proposed legislation. The proposed legislation has no net fiscal impact.

**Background**

The legislation makes necessary technical changes to The Washington Convention Center Authority Act of 1994 to effect a transaction for the New Convention Center Hotel in a manner that is consistent with the original intent of the Act.

Specifically, the act clarifies that:

- Any lease payments to the District for the site will be subordinate to debt payments for the hotel;
- The District is permitted to issue a new lease if there is a foreclosure, on the same terms and conditions as the prior lease;
- The Mayor is authorized to issue a permit for, or to lease, vault space or airspace adjacent to the hotel; and

- The site is exempt from recordation tax.

As discussed in the OCFO's fiscal impact statement of February 5, 2008, the exemption of the parcels on the Convention Center Hotel site from deed transfer and recordation would have a \$3.7 million impact on tax collections; however that reduction has been offset by a corresponding reduction in budget authority for debt service on general obligation bonds.

### **Financial Plan Impact**

The legislation makes necessary technical amendments to previous legislation authorizing the terms of the development of a new Convention Center Hotel. These amendments have no fiscal impact on the budget and financial plan.